

# MISSING PAGE

ORIGINAL DOCUMENT MISSING PAGE(S):

182

~~CONFIDENTIAL - USE ONLY~~

- P 3 -

WEST GERMANY

Feb. 3, 1959

FRANKFURTER ALLGEMEINE ZEITUNG emphasizes that Dulles can be trusted to steer a course which will safeguard Western interests. RHEIN-NECKAR-ZEITUNG, Heidelberg, is afraid that Dulles has been exposed to pressure from such advocates of a softer policy as Senator Fulbright and Senator Mansfield. The paper urgently warns Washington of "another Munich." DER TAG, Berlin, is convinced that Dulles has an intensification of Western cooperation in mind rather than a reorientation of U.S. policy toward Germany.

STUTTGARTER ZEITUNG contends that Khrushchev's primary aim is to arrive at a bilateral agreement with the United States and that for this reason he has made frantic attempts to detract Washington's attention from Germany. The surprise visit of Dulles proves that these attempts have met with failure. FRANKFURTER NEUE PRESSE believes that Dulles' surprise visit is welcome evidence of a more vigorous treatment of the grave Berlin crisis.

The Hamburg/Essen paper, DIE WELT, warns the Germans to exercise utmost moderation and to refrain from precipitate proposals and plans, leaving things to Washington, and acting only in an advisory capacity. In this capacity, however, Bonn leaders should ask Dulles whether the Americans are going to desert the Germans, or whether they are going to give them the same unfailing support which Soviet Zone Germans enjoy from Moscow.

SUEBDEUTSCHE ZEITUNG, Munich, points out that "cast-iron toughness" amounts to frivolous complacency. Good steel should be pliable." ALLGEMEINE ZEITUNG, Mainz, recommends that the West place more accent on concessions to get Moscow to the conference table.

Eugen Kogon notes over Radio Frankfurt that Dulles is today's only statesman who sees political developments correctly. During his visit to Europe Dulles will most likely convince West European statesmen of his plans to make liberal proposals to the Soviets, including a ministers conference in the spring, to overcome the Berlin deadlock. As regards proposals from Bonn, Kogon continues, the Federal Government has practically nothing to offer for an acceptable compromise.

#### 21st CPSU Congress

Gerd Ruge, speaking from Moscow over Radio Stuttgart and Frankfurt, points out nothing sensational has come out of the 21st CPSU congress, adding that the Soviets seem willing to reestablish the World War II coalition with their former allies to solve the German problem.

~~CONFIDENTIAL - EYES ONLY~~

- P 4 -

WEST GERMANY  
Feb. 3, 1959

As regards the USSR domestic situation, Khrushchev pointed out that the stage of forcible internal measures has been passed, an indication that increased party activity will substitute for earlier police actions. The congress will most likely end with unanimous praise of Khrushchev and his policies., Ruge concludes.

#### PRESS UNANIMOUSLY CONDEMNS COAL TAX

(Editorial Report--G) Several West German papers discuss the coal problem and regardless of affiliation all condemn the introduction of the import tax on American coal. The progovernment papers emphasize that this measure was introduced by the Bonn government under pressure from the mine workers union, while the opposition papers place the accent on government protectionism for the coal mining industry and other interest groups. All papers, except the procommunist Munich weekly, DEUTSCHE WOCHEN, call attention to the political damage created by arousing American antagonism at a time when U.S. benevolence is needed most urgently in view of the Berlin crisis.

FRANKFURTER ALLGEMEINE ZEITUNG warns that in the present situation the Federal Republic cannot afford to create a clash of economic interests with the United States. The American protest against the coal import tax is by no means a mere gesture intended to pacify the American coal industry and mine workers union. The coal tax is a political measure violating the principles on which West German prosperity is based, and it will not be surprising if such political intervention leads to political and economic damage.

SCHWAEBISCHE LANDESZEITUNG, Augsburg, hopes that the coal import tax will offer a respite to the mining industry during which it can adapt itself to the world market conditions. The government should stop pampering this industry, and the opposition should have enough sense not to demand that the privileges of this branch of industry be legalized.

SUEDDEUTSCHE ZEITUNG, Munich, thinks that Erhard's violation of the free market economy would be excusable if the respite offered to the coal mining industry was designed as a period of adaption to make it ready for competition, but denies that this will be the case.

FRANKFURTER RUNDSCHAU predicts that the Americans will most likely respond by raising import taxes for goods from the Federal Republic. The paper recommends that unprofitable pits be closed because the coal era has come to an end with the advance of fuel oil and nuclear power.

Both progovernment and pro-opposition papers reject the idea of nationalization as the remedy to the coal problem.

~~OFFICIAL USE ONLY~~

- P 5 -

WEST GERMANY  
Feb. 3, 1959

# COAL IMPORTERS PROTEST BITTERLY TO FGR

Frankfurt, FRANKFURTER ALLGEMEINE ZEITUNG, Feb. 2, 1959--G

(Summary) Bonn--In a strongly worded protest to the Federal Government, the Association of West German Coal Importers states that the coal import duty system, which constitutes an unfair intervention in private contracts, will raise prices of American coal in the North German coastal areas beyond those charged for Ruhr coal. It will adversely affect the ability of North German industries to compete, will increase power production costs, and will reduce the transshipment volume at North German seaports.

The West German Gas and Power Industry Association has pointed out that an increase in coal prices by only one DM per ton will raise gas prices by one pfennig per cubic meter. The import duty system will increase production cost of West German power plants by about (500?) million DM annually and will thus have serious repercussions on power prices. The association suggested that the Ruhr coal mining industry supply the power industry in the future with the same quantity of high-grade coal at the same prices as stipulated in the coal import contracts. The funds needed for cancellation of the import contracts should be made available by the Ruhr coal sales organization.

The West German Shipowners Association has pointed out that cancellation of import contracts for every 100,000 tons of American coal will make an additional West German freighter idle for 1 year and will thus have the effect of reducing sea freight rates further. West German shipowners have concluded charter agreements calling for shipment of more than 9 million tons of American coal during the period 1959 through 1967. Since most of these contracts are expected to be canceled, West German shipowners will claim from the Federal Government an indemnification of 100 million DM.

Following recommendations made by the European coal-and-steel pool administration, the Bundestag on Jan. 29 decided to raise the duty-free coal import quota to 5 million tons annually. The quotas for coal imports from the individual countries were set as follows: The United States, 4.42 million tons; Poland, 303,000 tons; Great Britain, 207,000 tons; Norway, 35,000 tons; USSR, 27,000 tons; and Czechoslovakia, 8,000 tons.

The Bundesrat will discuss the planned legislation at its next meeting on Feb. 6. though the economics ministers of the Land governments have recommended disapproval of the bill, rejection by the Bundesrat cannot prevent the legislation from becoming effective.